



## INTRODUCTION

Eastern Europe Studies Centre (EESC) brings to your attention the first issue of the “Bell” – an electronic Belarus info letter prepared by the experts of the EESC as well as partner think-tanks in Belarus. The “Bell” is a new monthly newsletter designed to present an overview of Belarus political, economic and social life as seen through the eyes of Belarusians themselves.

The idea of the “Bell” came up in the 2008 in the framework of the project Enhancing Research Centers’ Activities in Belarus, implemented by the EESC and funded by the Nordic Council of Ministers. Discussions with researchers from Belarus as well as with experts on the Belarus issue have evidenced that among the analyses of Belarus political, economic and social life there are only few which present the picture as seen from the inside, i.e. take the perspective of Belarusians themselves. To fill this intellectual gap the idea to

publish a monthly analytical newsletter has been put forward.

Attended by representatives of leading Belarus think-tanks, the first meeting of the project resulted in an agreement on a wide range of joint activities aimed at increasing the visibility of Belarusian think-tanks inside Belarus as well as in the European Union. Electronic publication of the “Bell” is just one of the activities that the experts of Belarusian think tanks decided to undertake in the framework of this project.

The first issue of the “Bell” focuses on the new European Initiative – Eastern Partnership. Widely discussed in the EU, this initiative is usually presented as a new “great leap forward” in the relations between the European Union and Belarus.

*Laurynas Jonavicius, Editor*

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## ILLUSION OF TWO-SIDED GEO-POLICY OF BELARUS

*Pavel Usov, “New Europe”*

The geopolitical strategy of Belarus underwent considerable transformation in the recent decade. However, the only thing that has really changed is the attitude of the ruling elite to the geopolitical situation in Belarus.

One of the most viable concepts of the geopolitical development of Belarus, recurrent in the speeches of the Belarusian leader as well as in the ideological texts, is a strategy of Belarus becoming a “bridge” between the East and the West. It is a well known fact that such attitude to the geopolitical situation of Belarus started to develop in the wake of Vladimir Putin’s ascent to Kremlin and the shattering of A. Lukashenka’s hopes to be the first to get there. Before, the only existing strategy was directed towards the integration with Russia. A. Lukashenka’s ambitious plans, however, practically jeopardized the sovereignty of the country, which became evident even to A. Lukashenka himself. Subsequent process of the integration with Russia had to develop in accordance with the interests of Moscow, not Minsk. The direct proof of that were energy wars.

Belarusian regime faced the necessity to look for an alternative road of the geopolitical development. The idea of the “bridge” between the East and the

West seemed to be, to a certain extent, an ideal instrument to provide security to A. Lukashenka’s regime and an equal distancing from both geopolitical poles, which to a greater or lesser degree threatened to undermine the stability of the regime. Europe threatened with its democratization and Russia with its imperial plans. Statements made by the authorities, steps taken in the direction of improving relations with the EU (economic forum in London) could speak in favor of the formation of two-sided geo-policy of Belarus.

In practice, however, balanced and well-measured two-direction geo-policy does not exist. Geo-policy of the Belarusian regime today is a sort of “geopolitical illusion,” which deludes the regime itself and, perhaps, the EU, too.

Two-sided geo-policy of such country as Belarus has to mean that it maintains political and economic relations with the EU as well as with Russia. There is no such equilibrium and it has never existed. If Belarus wants to talk of some kind of two-sided geo-policy, it has at least to secede from the Union State with Russia.

In the opinion of numerous independent Belarusian analysts, the given Union is a sheer formality. Nevertheless, such kind of project, even a formal one, wherein a vista for the integration might be

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provided, doesn’t exist in the relationship between Belarus and the EU.

The direct confirmation of the fact, that geopolitical priorities of the Republic of Belarus continue to be of a single direction - towards Russia, are A. Lukashenka’s recent statements voiced for the French newspaper France Press: “We do not even set ourselves the task of joining the EU”, declared A. Lukashenka, “We never even tried to discuss such an issue. It may happen that some day those issues may come to the fore. But so far they don’t”<sup>1</sup>. This could be an indirect proof of the fact that Belarusian regime does not intend to balance out its geopolitical direction.

More than that: all the time, irrespective of the political conflicts between Moscow and Minsk concerning the rising energy prices, relations with Russia always outweighed relations with Europe. At the same time, after the energy wars of 2004 and 2006 A. Lukashenka’s regime failed to do something that might have decreased the geopolitical dependence on Russia although it had an apt moment to do that.

It should also be stressed that the freezing of integration processes with Russia failed to take place although after the year 2000 it became increasingly clear that the union state would be used by Russia for the implementation of its imperial plans and re-establishment of control over the former USSR territories. Besides, Belarus failed to secede from other military-political and economic projects wherein Russia is a party. The fact that in the periods of tension in Belarusian-Russian relations A. Lukashenka radically changed his rhetoric doesn’t lead to radical changes in the policy of Belarus. Official media, A. Lukashenka himself and ideological machinery of his administration accused Moscow of the economic aggression and imperialism<sup>2</sup>, nevertheless, the political regime didn’t take any steps to decrease the threat to the sovereignty of the country or to distance itself from Russia.

It seems that the problem is the dependence of Belarusian regime on Russia which doesn’t allow the regime to move away. Besides, the fact that today’s Russia is not Russia that it used to be 10 years ago has to be taken into consideration. Strong and aggressive Moscow is capable of taking any measures to defend its geopolitical interests. Apart from that, today Moscow is the only guarantor of stability of the undemocratic political regime in Belarus. A. Lukashenka found himself in the psychological vassalage of Kremlin since his neo-authoritarian regime would not withstand the onset of democratization from the West unless there is Russia’s hand behind Lukashenka’s back.



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In other words, alliance with Russia provides Belarusian regime with political as well as economic guarantees of stability and security in exchange for its geopolitical fidelity to RF.

As it has already been mentioned, Russia’s political guarantees to Belarus include a stable support of the political regime in the international arena and restraint of democratization wave. All elections that were organized in Belarus and were deemed to be illegitimate by the West, including the recent election to the House of Representatives, are without exception recognized by Russia. It goes without saying that Russia preserves political processes in Belarus and at the same time complicates the possibility of a dialogue between Belarus and the West since the basis for such dialogue is political transformation of the regime.

One more factor that drives Belarus in the direction of Russia is economics. Russia is an enormous market for the products of Belarusian enterprises as well as a space which absorbs Belarusian unemployment. In 2006 alone the active trade balance of Belarus with Russia accounted for 20 billion USD, in 2007 – 23 billion USD and it is expected that in 2008 it will reach 40 billion USD.<sup>3</sup> At the same time commodity circulation between Belarus and the EU in 2007, according to the data of the MFA of Belarus made up only 14 billion USD.<sup>4</sup> Although the Belarusian authorities state that the EU takes the 1st place among the importers of its domestic products.

The share of Belarusian export within the general scope of Russian-Belarusian trade decreased in the given period from 42.5% to 34% while the share of the EU countries in the Belarusian export, on the contrary, increased. Thus, in 2000 it amounted to 28.5% and in 2007 – to 43.6%. According to the results of the first half of the year 2008 the share of Russia made up already 32% of the Belarusian export, while the share of the EU countries – 45.1%.<sup>5</sup>

1 Belarus does not seek membership of the EU or NATO, declared Alexander Lukashenka <http://belapan.com/archive/2008/11/27/269065/>.

2 President of Belarus denominated policy of Moscow as being imperial and proposed to write off each other’s debts [http://www.ntvru.com/world/06feb2007/batko\\_rassudil.html#2](http://www.ntvru.com/world/06feb2007/batko_rassudil.html#2) on 6th of February 2007.

3 Commodity circulation of Belarus and Russia in 2008 may amount to USD 40 billion - V.Popov <http://www.export.by/?act=news&mode=view&id=4021>.

4 On the Cooperation of the Republic of Belarus and the EU in the political sphere, <<http://www.mfa.gov.by/ru/foreign-policy/international-organizations/mo/fd2be694ad14f50f.html>> .

5 A. Kozlovich. “Present sixth position of Belarus in the trade with Russia is far from being the best in the post-soviet period” “Narodnja Gazeta”, -No.218.

**Russia is an enormous sale market for the products of Belarusian enterprises as well as a space which absorbs Belarusian unemployment.**

However, this is due to the supply of raw materials, oil products, potassium fertilizers to the European market and not of the manufactured goods. Russian market, on the contrary, is supplied with the products of light and basic industry as well as foodstuffs: meat, milk, cheese, sugar. For example, when Russia informed about its plans to cut the import of Belarusian sugar in early 2007 all sugar industry of the country found itself on the verge of a total catastrophe. Analysts started talking of a new round of Russian-Belarusian economic confrontation which was given the name of "sugar war". In 2008, however, the parties signed an additional agreement whereby supply of Belarusian sugar to Russia grew from 100 thousand of tons to 150 thousand of tons.<sup>6</sup>

The situation of Belarusian unemployment looks pretty much the same. According to various data, from 50 thousand to 100 thousand Belarusians are employed in Russia, only 7 thousand of which are employed legally<sup>7</sup> (according to the official statistics, unemployment level in Belarus is 1%).

All these factors are being used as tools of pressure on A. Lukashenka's regime. It is quite easy to imagine what would ensue, if unemployment level in Belarus shot up and what impact this might produce on the political situation in the country.

On the top of all this, Russia is the biggest creditor of Belarus. In 2007 Russia provided to Belarus 1.5 billion USD stabilization loan. In 2008 Russia provided 1 billion USD loan and is about to add 1 billion in 2009.

The following fact could also support the statement that "two directions" in Belarusian geo-policy are non-existent. Belarus is a party of four major geopolitical, economic and military-strategic projects dominated by Russia. Those projects are the Union

as for example, CIS, they form a geopolitical space which is dominated by Russia. On the other hand, Belarus is not a party of any geopolitical project, even a symbolic or formal one, wherein the EU is a party. More than that: it has to be taken into account that Belarus and Russia maintain active cooperation in the military sphere and together withstand the virtual enemy – the West. The EU is also in the ranks of the enemy since the majority of European states are members of NATO.

Military cooperation is based on the creation of a single defense system, including anti-missile defense. The parties organize and carry out joint strategic exercises and Belarusian army is equipped with the armament produced in Russia. According to the statement of Belarusian authorities, in the near future Belarus plans to purchase Russian armaments for 1 billion USD, including "Iskander" missile system<sup>8</sup>.

Thus due to objective reasons the direction towards Russia is of greater priority to Belarus than the one towards Europe. The only fact that testifies A. Lukashenka's attempts to preserve "geopolitical autonomy" is his unwillingness to recognize independence of Abkhazia and South Ossetia. This aspect, however, does not bring Belarus and the EU together in terms of geopolitics.

One of the indices of the Belarusian geopolitical attachment to Russia and the impossibility of Belarusian "two-direction" policy is the integration process within the Union State. Nobody has the slightest doubt that integration with Russia is a direct threat to the sovereignty of Belarus and the political regime but the possibility to avoid further integration, however, is subject to great doubts. Recent events show that A. Lukashenka is unwilling to continue the process of integration with Russia but at the same time he fails to have strength and willpower to stop the given process. The only thing he may do is to extend it to the indefinite deadline and at the same time preserve the possibility to maintain relations with Russia that are useful for his political regime.

The key issue in the problem of integration, however, is not A. Lukashenka's will or his aspirations but Russia's interests. In recent years Russia is quite seriously disposed towards the restoration of the former empire and the union with Belarus could be one of the tools in the process of bringing those plans into reality.

From a formal and legal standpoint Union treaty is the best possibility to incorporate Belarus since this may be done on the basis and of free will of two nations and in accordance with the international law. In this case neither the USA nor Europe can accuse Russia of the absence of legal rights and imperialism.

Russia's actions which demonstrate that it wants to use the Union with Belarus to its own interests are obvious:



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State of Belarus and Russia, Commonwealth of Independent States, Collective Security Treaty Organization and Euro-Asian Economic Union. And although some projects are formal and symbolical,

6 Официальная страница Правительства Союзного, < [http://www.soyuzinfo.ru/ru/in\\_focus/news/index.php?id4=123124](http://www.soyuzinfo.ru/ru/in_focus/news/index.php?id4=123124).

7 Belarusians who are officially employed abroad seldom complain about the conditions of their employment, <[http://naviny.by/rubrics/society/2008/05/07/ic\\_news\\_116\\_290226/](http://naviny.by/rubrics/society/2008/05/07/ic_news_116_290226/).

8 Беларусь можа ўзброіцца на мільярд даляраў, <<http://www.svaboda.org/content/Article/1332609.html>.



Russia has already started using the Union as a tool for the implementation of its geopolitical interests. Thus on 12 September the Union Parliament supported the will of Abkhazia and South Ossetia to accede to the Union State.

- 1) Russia became more active in conducting its information campaign on the positive processes in the sphere of integration and the necessity to complete it without further delay. It has also become increasingly clear that top Russia's officials - Premier V. Putin as well as president D. Medvedev - started to take up the issue of integration during their meetings with Lukashenka more often than before. This also happened during V. Putin's visit to Minsk on 25 October 2008.
- 2) A serious sign of the fact that Russia is interested in the further integration was the appointment of V. Putin to the post of the Chairman of the Council of Ministers of the Union State. It may be argued that V. Putin would not have accepted the given post if it had been only a formal post without any possibilities to execute any realistic authority in the future.
- 3) Russia has already started using the Union as a tool for the implementation of its geopolitical interests. Thus on 12 September the Parliament of the Union supported the will of Abkhazia and South Ossetia to accede to the Union State. South Ossetia was even granted the status of a permanent observer at the Parliament of the Union. In the future (and it is Russia's greatest wish) those unrecognized republics may accede the Union state automatically after Belarus has recognized their independence. This, in turn, means that the Union started developing real

political and geopolitical forms wherein Belarus will be ascribed only the status of a secondary element. Recognition of Abkhazia and South Ossetia will become a very important event with respect to Belarus-Russia-EU (West) since the recognition will rob Belarus of the possibility for political maneuver and will finally attach Belarus to Russia.

- 4) Moscow expects from Belarus concrete steps in implementing the integration project and insists on the introduction of a single currency and the adoption of the Union Constitution.

Under these conditions it is difficult to talk of Belarus as the country pursuing its own geo-policy and possessing a certain geopolitical doctrine. The statements made by A. Lukashenka and Belarusian authorities are inconsistent with the general geopolitical situation of Belarus which, seemingly, stopped being a geopolitical subject and became an object of geopolitical interests of Russia. A. Lukashenka's wish and his pronouncements that Belarus pursues a well-balanced geo-policy with the West and with Russia is an illusion, which may cost the country its independence.

Moreover, geopolitical processes, wherein Belarus takes part, show that today Belarus is very far away from the real geopolitical equilibrium between Russia and the EU. Besides, hopes that A. Lukashenka will manage to establish that equilibrium are quite negligible.

## FINANCIAL CRISIS IS COMING TO BELARUS

Sierz Naurodski, CASE Belarus

*2008 financial crisis, shipped from USA to Europe, is coming to Belarus. Belarusian decision-makers choose these days between devaluation and stability of country's currency, Belarusian ruble. In other words, Belarusian authorities choose between collapse of the previous "economic miracle" policy and losing total control over the business. There is also the third option of a deep financial reform which may come true after 10 years of expectation.*

In November it became obvious that Belarusian economy will face the wrecks of 2008 financial crisis. According to Ministry of Statistics, capital investments in Belarus fell by 21.2 % in October 2008 comparing to September 2008, retail turnover has decreased by 3.8 %, industrial output was 2.9 % less. It is also obvious that Belarus will have to work on the individual rescue plan dissimilar to any other European country. The situation is unique due to rapidly growing trade deficit (\$4.7 billion in October 2008, growth by 46.9% comparing to October 2007). Thus there is a challenge for Belarusian decision makers to solve two major problems: to neutralize effects of global financial turmoil and to balance the balance of payment. The exchange rate of Belarusian ruble (BYR) will

be the main point of discussion for Belarusian authorities in 2008-2009. There are two possible alternative decisions:

- 1) Keep the currency within 10% yearly devaluation margin (no more than 2300 BYR for a dollar in December 31, 2008; and 2500 BYR for a dollar in December 31, 2009). This will help to avoid a massive panic withdrawal from country's banking sector as well as a rapid growth of "black" currency operations (when people start selling and buying dollars at the exchange rate much higher than set by banks).
- 2) Devaluate rapidly Belarusian ruble up to 80-100% to the exchange rate of 4000- 5000BYR for a dollar. In the short run this step might help to improve trade balance and make Belarusian export goods relatively cheap in the foreign markets, especially in Russian. Recently IMF mission proposed to devaluate the ruble by 20% at least.

For the first scenario to come true and effective, deep economic reforms are needed. Wide liberalization, privatization and tax reform in Belarus are the only way to bring foreign investments to the country. In this case Belarus will make A. Lukashenka's words about getting into 25 most

attractive world economies come true. At the same time reforms will terminate the control of Belarusian authorities over private business and financial flows forever.

In the case of the second scenario, Belarusians apparently will face lower earnings (in dollar equivalent) and inflation. "Belarusian economic miracle" will be replaced by national distrust in both business and politics, which has already happened in 1996.



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The choice to be made is a political decision at the top level. Both of the scenarios have advantages and disadvantages. Economists are keen to find the consensus.

But there is the third possible option to undertake (finalize, de-facto) a financial reform by introducing a new Belarusian currency. This new money could become the "real" exchange currency unlike today's "Belarusian National Bank payment bills" (it is written on the banknotes, if you have an accurate look at the Belarusian money). While introducing the new currency the exchange rate to US dollar and euro can be set at the level corresponding to the needed percentage of devaluation, with less zeroes on the banknotes, along with new era of Belarusian independence.

When one looks carefully on all three possible scenarios for Belarus, market reforms are inevitable in each one of them. Reforms are sooner or later should be accepted and performed by Belarusian government. And I strongly believe that it is the best time to start today.

## EU-BELARUS: SAME DECISION MAKERS AND DECISION TAKERS IN A NEW SETTING

Vyachaslau Pazdnyak, *International Portal "Wider Europe"* [www.w-europe.org](http://www.w-europe.org)

*Force majeure?*

External and domestic energy and financial-economic factors make the Belarusian authorities search for ways to normalize relations with the EU. In the opinion of President A. Lukashenko the main asset of the EU is technology, while that of Belarus is its transit position as a "bridge" between the European Union and Russia. By taking this advantage Belarus would like to play a corresponding role in the supply of energy resources from Russia to Europe, in the transportation of commodities from the European Union to Russia and the other way around<sup>9</sup>. 32% of Belarus' trade turnover fall on EU member states and 44% of Belarusian exports go to the EU member states.

Ambassador Hans-Georg Wieck, former Head of the OSCE Advisory and Monitoring Group in Belarus, is of the opinion that Belarusian authorities are concerned with the competitiveness of goods manufactured in this country look for access to the European markets and have to make steps towards the liberalization of Belarusian economy. Economic modernization, in its turn, will entail a democratic transformation<sup>10</sup>.

The Belarusian president draws his own conclusions from the changing situation. He concurred that the EU was worried that Belarus might lose independence and, besides, the EU has realized the country's important role<sup>11</sup>. The leaders of the European Union made a decision to resume contacts with Belarus on the level of Ministers and partially lift the sanctions. The two parties reached an agreement on the expansion of contacts between the Belarusian government and the European Commission in the fields of mutual interest.

According to the Vice Premier of the Government of Belarus Andrej Kobiakov, the decision to lift the "contrived restrictions and barriers in mutual relations" and other following steps of both sides "open a new page in the relations". Understanding the necessity to work on the so-called "homework", outlined in the dialogue with the EU, Belarus expects adequate reciprocal steps from the European Union<sup>12</sup>.

Following the meeting of the Minister of Foreign Affairs of Belarus Sergei Martinov with EU High Representative for the Common Foreign and Security Policy Javier Solana and EU troika on October 13, 2008 in Luxembourg, a visit of the delegation of the European Commission to Minsk headed by Deputy Director-General of the Directorate-

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<sup>9</sup> 25 November 2008, [www.belta.by](http://www.belta.by).

<sup>10</sup> 27 November 2008, [www.svaboda.org](http://www.svaboda.org).

<sup>11</sup> 28 November 2008, <http://naviny.by>.

<sup>12</sup> 05 November 2008, [www.interfax.by](http://www.interfax.by).

The issues of the improvement of the investment climate in Belarus so that its dependence on the Russian energy resources could be decreased were discussed at the Belarusian economic forum in London this November.

General for External Relations (DG RELEX) Hugues Mingarelli took place in early November 2008. The delegation brought concrete proposals on how bilateral relations should develop, what the EU proposes to Belarus and what the EU is expecting from it. In particular, the EU initiated cooperation in three new fields: regulation of the quality of goods and standards, interaction of financial institutions and also in the sphere of agriculture and food safety<sup>13</sup>.

Ways of improving the investment climate in Belarus so that its dependence on Russian energy resources could be reduced were discussed at the Belarusian economic forum in London in November 2008.

Another major development in the fall of 2008 was the elaboration of the European Union's new "Eastern Partnership" (EP) programme originally proposed by Poland and Sweden. The new Polish-Swedish initiative raised a considerable interest in official Minsk. According to the Minister of Foreign Affairs of the Republic of Belarus Sergei Martinov, Belarus is positive about the policy of the Eastern Partnership and proposals from Belarus are taken into account by the European Commission<sup>14</sup>. Belarus "confirmed" its readiness to work together with the EC on shaping the "Eastern Partnership" and even suggested some ideas on its practical contents<sup>15</sup>. The proposals of the EU are of practical interest to Belarus and it is in favor of coming closer to the European space, including the adoption of its economic and ecological standards<sup>16</sup>.

What is this so far unseen enthusiasm associated with? It looks that something the official Minsk has been striving for - "de-politization" of the European Neighborhood Policy - is to a certain extent taking place.

An uncertain dialogue between the official Minsk and the European Union has culminated in November 2008 in a major trade-off in response to the promised reduction of the known 12 EU preconditions and pledges addressed to the Belarusian government and its people. Jean-Eric Holzapfel, Charge d'affaires ad interim of the EC Delegation to Belarus admitted that now the issue is the fulfillment of five basic preconditions, i.e. absence of political prisoners in the country, adoption of a number of measures on the mass media, reform of election legislation, improvement of norms for NGOs activities, freedom of assembly and freedom of expression<sup>17</sup>.

Besides, unlike in previous years, this time the EU did not bring forward any concrete "road map" or "step-by-step strategy" in order to possess a "more flexible tool for dialogue and to facilitate subsequent positive changes"<sup>18</sup>. Minsk defines its "homework"

by itself. "Contacts with European partners are not maintained for the purpose of formalizing the "road-maps", - stated Belarus Foreign Ministry spokesman. Head of the European Department of the MFA of Belarus Denis Sidorenko emphasized the need to create a legal basis for the bilateral relations with the EU but noted that Brussels should speak "not about the preconditions for the development of relations with Belarus but rather about its expectations". He went on to say that "the cornerstone for the development of relations should be the interests of ordinary people of the EU and Belarus"<sup>19</sup>.

In a two-page document sent to Brussels Minsk praised the six-month suspension of visa sanctions against Belarusian officials (Council decision of October 13, 2008) and expressed readiness to normalize political relations and develop cooperation on issues of mutual interest<sup>20</sup>. In turn, the Belarusian authorities pledged to do three things: to discuss the ways of improving the country's election code with the OSCE, to permit publication and legal circulation in Belarus of two (out of about 20) opposition newspapers and to organize a "round-table" discussion on the internet regulation between the Ministry of information and the OSCE with the results to be "taken into account" for the "further improvement of the relevant legislation and its implementation".

On November 20, 2008 President Lukashenka signed two edicts, which envisage the signing of a framework agreement between the Belarusian government and the European Commission, define the status and conditions for the provision of technical assistance under the European Neighbourhood Policy Instrument (ENPI) and facilitate the functioning of the future EU representative office in Belarus. President's Press Service listed as priority the following spheres of cooperation: energy, transport, customs infrastructure, combating illegal migration and international crime, as well as



protection of the environment<sup>21</sup>. EESC archive European Union's Commissioner for External Relations and the European Neighbourhood Policy Benita Ferrero-Waldner welcomed the Belarusian government's "important and encouraging steps." "For its part, the Commission is intensifying technical dialogue with Belarus in the fields of mutual in-

13 05 November 2008, [www.interfax.by](http://www.interfax.by).

14 27 November 2008, [www.svaboda.org](http://www.svaboda.org).

15 Comments of the press secretary of the Ministry of Foreign Affairs Andrei Popov, 03.12.2008, [www.mfa.gov.by](http://www.mfa.gov.by).

16 06 November 2008, [www.belapan.info](http://www.belapan.info).

17 04 December 2008, [www.ej.by](http://www.ej.by).

18 03 December 2008, [www.svaboda.org](http://www.svaboda.org).

19 15 November 2008, <http://naviny.by>.

20 21 November 2008, [www.belapan.info](http://www.belapan.info).

21 21 November 2008, [www.belapan.info](http://www.belapan.info).



Unlike in previous years, this time the EU did not bring forward any concrete “road map” or “step-by-step strategy”.

terest and I anticipate concrete results to help foster Belarus economic development”, she said<sup>22</sup>.

Belarusian options of a “big leap” and “catch-up development”

It is evident that EP will not and is not meant to solve problems that have accumulated in nearly two decades in the relations between Minsk and Brussels. This is by far not a trick of making “big leap” so as to leave them in the past. On the contrary, benefits from the would-be participation in the EP may come by only as a result of a consistent and tedious ascent along all steps of cooperation which Belarus has failed to pass but which have been successfully coped with by the neighboring Ukraine, Moldova and other states.

As it is known, Belarus “dropped out” from the ENP-plus process, which encompasses the adoption of a country strategy, joint elaboration of a neighborhood action plan, setting up monitoring and implementation structures, etc.

A limited participation in three neighborhood programmes, the Belarusian authorities’ failure to launch numerous projects involving EU and Belarus, even those aimed at overcoming the consequences of the Chernobyl tragedy, are a reflection of serious problems with the democracy, the human rights, the freedom of the mass media, the restrictions on the activities of the non-state actors.

A comparison of resource allocations to governmental and non-governmental organizations within the framework of neighborhood programs in 2004–2006 shows that their distribution benefits mostly Belarusian state structures. During this period state and public recipients received the following shares of resources from the combined budget of three neighborhood programs<sup>23</sup>:

- Government institutions and local (state) administrative bodies – 71%;
- Educational establishments and research institutes – 11%;
- Health care institutions – 11%
- Public associations – 7%

Today we can only speak of a “big leap” into the past and the ensuing accelerated “catch-up development”. After the Partnership and Cooperation Agreement (PCA) between the European Communities, its member-states and Belarus was “frozen” by the EU in 1997 due to the domestic political situation in Belarus, bilateral relations remain without a legal basis or, otherwise stated, they are not institutionalized. Thus, the priority task is to create a relevant normative bilateral framework.

Belarusian officials are well aware of it. Certainly, the text of the 1995 PCA is in many respects lagging

behind today’s practice of advanced cooperation of the EU with, say, Ukraine and other post-Soviet states. The key provisions of the document, however, are still important for Belarus and have commonalities with the European Neighbourhood Policy (ENP) as well as with new initiatives of the Eastern Partnership. Such as, “obligation to consolidate the political and economic freedom, which constitutes the main pillar of cooperation”, provision of the necessary structure for political dialogue, support of the attempts of Belarus to strengthen democracy and development of market economy, etc. Article 4 of the PCA pointedly stipulates that in case Belarus moves along the road of economic reforms and the respective prerequisites arise, both parties will commit themselves to engage in negotiations on the establishment of a free trade zone (FTZ). The same is stated in the EC Communication on the Eastern Partnership. Meanwhile, a free trade zone has been created between Belarus and Russia within the framework of its integration project, between the member states of the Euro-Asiatic Economic Commonwealth (EurAsEC) (in a bilateral format), and similar plans had been announced but were never implemented within the framework of the Commonwealth of Independent States (CIS). Russia, in its turn, has put forward the idea of a “European Economic Space”. The format the EU+6 East European partners is obviously competing with its post-Soviet analogues<sup>24</sup>.

According to some estimates, the speed of the EU integration projects designed for post-Soviet countries is higher than the rate of integration processes in the post-Soviet space itself. The prospects of staying in the CIS are becoming ever less attractive for its member states and the sphere of Russia’s influence is shrinking<sup>25</sup>.

A free trade zone among states-participants in the Eastern Partnership is an ambitious and complex project. Joining it by partner states will be a long and individual process (the first obvious candidate is Ukraine). Both for ENP and the would-be Eastern Partnership participants FTZ is a very advanced phase of relations, and particularly for Belarus. Much efforts and resources will have to be invested along the way in adopting the relevant part of European legislation, or *acquis communautaire*. An agreement on the creation of a new economic zone which the European Commission is going to propose to Azerbaijan, Armenia, Belarus, Georgia, Moldova and Ukraine provides for the formation of a FTZ aimed at establishing a single internal market. In turn, the six states have to adapt their legislation to the European norms and acknowledge the jurisdiction of the European Court. Minsk seems to realize that it will have to do that at least partially, even without the aspirations of the EU membership<sup>26</sup>.

<sup>22</sup> 24 November 2008 <http://naviny.by>.

<sup>23</sup> Figures cited in: Belitskii V.; Odinet J.; Orlov L. “Opyt uchastija Belarusi v programmakh dobrosoedstva Evropeiskogo sojuza” [Belarus’ experience of participation in the EU’s neighborhood programs], in *Zhurnal mezhdunarodnogo prava i mezhdunarodnykh otnoshenii*. 2008, No. 3.

<sup>24</sup> Runner, Philippa. “Brussels to project ‘soft power’ in post-Soviet zone.” 03 December 2008 <http://euobserver.com>

<sup>25</sup> 04 February 2008, *Nezavisimaja gazeta*.

<sup>26</sup> 03 December 2008 [www.svaboda.org](http://www.svaboda.org).

According to some estimates, the speed of EU integration projects designed for post-Soviet countries is higher than the rate of integration processes in the post-Soviet space itself.

The ways of using the EC Technical Assistance and Information Exchange Instrument (TAIEX) in Belarus in order to provide it with technical and expert assistance, which would approximate Belarusian legislation to EU legal system, are already under consideration. A workshop with the participation of the EC experts, who introduced the opportunities offered by this instrument to Belarus government officials, was held at the Belarusian MFA in mid-November of 2008.

So far Belarus is defined only as a potential participant of the "Eastern Partnership" (EP) and the level of its participation will depend on the general development of bilateral relations<sup>27</sup>. This implies that opportunities offered by the EP are so far potential as well. The final decision on the European Union's position with regard to Belarus will be taken by EU's General Affairs and External Relations Council (GAERC) in mid-April 2009, whereby the main criterion will be the progress made by the Belarusian authorities in meeting the conditions set by the EU.

Minsk is counting on some benefits for itself in case of a successful multilateral regional cooperation which at the same time may be conducive to the development of its bilateral relations with Brussels.

The MFA of Belarus underlines its interest in a broad "pragmatic" cooperation with the EU in some "mutually beneficial" directions, including trade, energy, transport, combating trans-border crime, ecology and agriculture<sup>28</sup>. At the same time, aspects of democratization that are inconvenient for the Belarusian authorities are left out.

The option of a "selective engagement" of Belarus in the EP, however, is problematic, if feasible at all. For example, Switzerland may afford such reduced format of relations with the European Union, although it has serious drawbacks. Thus,



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if Switzerland denounces at least one of its seven bilateral agreements with the EU, according to the "guillotine clause" all seven will be suspended. Besides, Switzerland is in no position to exert influence on the EU policies.

In an attempt to compensate for the current absence of a PCA or its equivalent the Belarusian side worked out a new framework agreement regulating the provision of technical assistance by the EU to Belarus under the ENPI that succeeded the TACIS Program. On November 20, 2008 President's Decree No. 633 authorized Deputy Prime Minister of Belarus Andrei Kobayakov to sign this document between the Belarusian Government and the European Commission<sup>29</sup> and on December 18, 2008 the agreement was signed in Minsk during a visit by the new Head of the EC Delegation to Ukraine and Belarus José Manuel Pinto Teixeira.

Meanwhile, the main points and especially details of the dialogue between Minsk and Brussels remain largely non-transparent for the Belarusian public. This has caused concern, criticism and speculations as to the nature and outcome of a possible deal.

Belarus authorities' line of behavior in the coming months will be decisive. What the mass media calls a "chance" for Belarus, in reality breaks down into two alternatives: a further lagging behind the East European processes on the one hand, or an active.

<sup>27</sup> The Eastern Partnership – an ambitious new chapter in the EU's relations with its Eastern neighbours. IP/08/1858. 03/12/2008. <http://europa.eu>.

<sup>28</sup> Comments of the press secretary of the MFA Andrei Popov. 03.12.2008. [www.mfa.gov.by](http://www.mfa.gov.by).

<sup>29</sup> Edict No. 633 of the President of the Republic of Belarus of 20 November 2008.

## EASTERN PARTNERSHIP: WHAT CAN BELARUS EXPECT?

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*On December 12, 2008, European Council approved the project "Eastern Partnership" drawn up by the European Commission for its eastern neighbours – Armenia, Azerbaijan, Belarus, Georgia, Moldova and the Ukraine. What new can be expected from the given EU initiative and what place is designated for Belarus?*

In late November European information agency EU

Observer reported about the drawing up of the draft communiqué introducing the project of "Eastern Partnership" of the EU. Official presentation of the given project was made on December 3, 2008 by the joint address of the President of European Commission Jose Manuel Barroso and the Commissioner for external relations and European neighbourhood policy Benita Ferrero Waldner. On December 12 the EU project "Eastern Partnership" was finally approved at the summit of the heads of state and governments of the EU member states.



**“Eastern Partnership” is an answer to the Polish-Swedish initiative introduced already back in May 2008 and directed to the strengthening of EU relations with its eastern neighbours.**

engagement in the broad regional and Pan-European development on the other.

“Eastern Partnership” is an answer to the Polish-Swedish initiative introduced already back in May 2008 and directed to the strengthening of EU relations with the above mentioned countries. The project foresees the signing of agreements on association, creation of free trade zone and gradual formation of a single market following the example of the already existing single market with Norway, Iceland and Lichtenstein.

Besides, the project provides for the establishment of special visa centers to accelerate the issuance of Schengen visas. European Commission proposes to cut down the prices for visas gradually and simplify the issue procedures and in the long term introduce visa-free regime. “Eastern Partnership” also provides a gradual increase of the financial assistance to the countries in the given region. In the initial draft of the paper the sums of approximately 600 million Euro for the period of 2009-2013 and 1.5 billion Euro for 2014-2020 were mentioned although in the final draft the sums were radically cut and amounted to 350 million Euro till 2013 and the future budget was left unspecified.

By making such attractive proposals to their eastern neighbours the EU is looking forward to reciprocal steps. East European states have to adapt fully *acquis communautaire* (all block of the EU legal acts, which today amounts to around 100 000 pages) and recognise the resolutions of the European Court. Besides, “Eastern Partnership” provides for the conclusion of Memorandum on the mutual understanding in the field of energy security, which later has to lead to joint management and even ownership of pipelines.

Motivation of the “Eastern Partnership” as it was presented in the draft communiqué seems to be quite transparent. “Conflict in Georgia and its consequences demonstrated vulnerability of Eastern partners. That is why Member States have consensus about the necessity to consolidate the relationships with our eastern neighbours to help them to become closer to the EU”. Thus the issue first and foremost is geopolitical and the main goal is to gradually include the given region into the sphere of influence of the EU. At the same time the project “Eastern Partnership” approved on December 12, unlike the initial Polish-Swedish initiative, stresses unequivocally that the given initiative is not directed to the preparation of East European countries for the EU membership and in principle is an alternative to the membership. In other words, in this way the European Union plans to implement one of the tasks of the European security strategy, namely, to create a belt of good neighbourhood and stability around the EU, or a *cordon sanitaire* around its territory.

Such motivation, however, as well as an attempt to liberate East European countries from the sphere of influence of Russia, contradicts the plans of the EU to develop strategic relations with Russia. Since Russia seeks to establish a common market with

some East European countries, EU initiative runs counter to the Russian interests in the given region. Thus the issue of the strategic relations with the Russian Federation *a priori* blocks the establishment of a single market, including EU and participants of “Eastern Partnership”. Moreover, it questions the implementability of the very idea of building a *cordon sanitaire* between the EU and Russia.

It should be stressed that the given point is interpreted differently as compared with the initial draft of the communiqué, which was prepared in November. Here the relations with Russia are not named as priority with respect to the policy of “Eastern Partnership”. As a result, due to a clear-cut contradiction of the given situation to the very idea of the “Eastern Partnership” it was decided that the phrase “privileged status of Russian –European relations” had to be revoked.

The new initiative of the EU, without attaching it to the Belarusian issue, is a considerable step forwards compared to the European neighbourhood policy, which failed to take into account the specific character of separate countries and was the same to all states bordering with the EU. Failing to be the instrument of the EU enlargement, this policy proposes to the East European countries an institutional basis for the consolidation of contacts with the EU in all spheres. This initiative also has a quite expressive symbolic meaning since it demonstrates openness of the EU and its interest in the East European region. Besides, EU makes an attempt to implement an integration project in the region, which is a direct alternative to Russia’s attempts to reintegrate the post-soviet space.

As for Belarus, the format of its participation in the programme “Eastern Partnership” remains vague. Nominally, our country is a participant of the given initiative but the level of its participation will be defined only in spring 2009 after the half-year period of the suspense of sanctions is over and after Belarus demonstrates certain progress in liberalization and democratisation.

“Eastern Partnership” contains in itself a certain challenge for Belarusian authorities since it proposes a real test of conformity of internal-political rhetoric (actively using the idea of European Belarus). Nevertheless, participation of official Minsk in the “Eastern Partnership” today is problematic due to the following reasons:

**first**, EU proposes to the partners an unilateral adaptation of European legislation in practically all spheres of life which is completely unacceptable to the Belarusian party, which declares its striving for equal relations;

**second**, adoption of the EU legislation and recognition of the resolutions of the European Court means the loss of a considerable part of sovereignty, for which Belarus is not prepared even in its relations with Russia under the powerful pressure of Kremlin and in exchange for enormous subsidies; it would be naïve to expect

An attempt to liberate East European countries from the sphere of influence of Russia, contradicts the plans of the EU to develop strategic relations with Russia.

that this may happen in the case of the EU when the economic profit is far from apparent;

**third**, setting up of a free trade zone with the EU could be not a welcome achievement but a threat to the un-reformed Belarusian economy;

**fourth**, Belarusian authorities will be quite cautious about the point of the project, where joint management of pipeline systems is mentioned.

It should also be remembered that signing of the association agreement that is promised within the structure of the "Eastern Partnership" is impossible without the prior de-frosting of political relations between Minsk and Brussels. In other words, first of all the Agreement on the Partnership and Co-operation (frozen after the constitutional crisis of 1996) has to be revised and ratified and only then an attempt to create more profound relations with the EU can be made.

Nevertheless, the new initiative of the EU does not have to substitute the strategy of normalization of the relations between the EU and Belarus and should not be perceived as such. These are two completely different documents pursuing different



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goals and tasks. "Eastern Partnership" may become an attractive long-term guideline for Belarus after the reconstruction of full-fledged political and economic relations with the EU and internal democratization. Today the initiative of the "Eastern Partnership" makes the drawing of a consistent and efficient "road map" for the normalization of the Belarusian-European relations more important and more urgent in short-term perspective.

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